

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
Civil Division

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Superior Court of the
District of Columbia
Washington, D.C.

**THE FAMILY FEDERATION FOR WORLD
PEACE AND UNIFICATION
INTERNATIONAL, et al.,**

Plaintiffs,

v.

HYUN JIN MOON, et al.,

Defendants.

**DEFENDANT UCI'S ANSWER,
AFFIRMATIVE DEFENSES,
AND COUNTERCLAIMS**

Civil No. 2011 CA 003721 B

Civil 1, Calendar 4

Judge Anita Josey-Herring

Next Event: None

UCI,

Counterclaim-Plaintiff,

v.

**HYUNG JIN MOON (a/k/a SEAN MOON)
50 E. Sunnyside Lane
Irvington, NY 10533**

**KOOK JIN MOON (a/k/a JUSTIN MOON)
16 North Ridge Road
Pomona, NY 10970**

**IN JIN MOON (a/k/a TATIANA MOON)
4 West 43rd Street
New York, NY 10036**

**BO HI PAK
10414 Willow Crest Court
Vienna, VA 22181**

**THE TONGIL FOUNDATION
71-3 Cheongpa-dong 1-ga, Yongsan-gu,
Seoul, Korea**

THE MISSION FOUNDATION FOR THE)
FAMILY FEDERATION FOR WORLD)
PEACE AND UNIFICATION)
292-20, Dohwa-dong, Mapo-gu)
Seoul, Korea)
))
THE HOLY SPIRIT ASSOCIATION FOR)
THE UNIFICATION OF WORLD)
CHRISTIANITY (USA))
4 West 43rd Street)
New York, NY 10036)
))
THE FAMILY FEDERATION FOR WORLD)
PEACE AND UNIFICATION)
INTERNATIONAL, THE UNIVERSAL)
PEACE FEDERATION, THE HOLY SPIRIT)
ASSOCIATION FOR THE UNIFICATION)
OF WORLD CHRISTIANITY (JAPAN),)
DOUGLAS D. M. JOO, and PETER H. KIM,)
))
Counterclaim-Defendants.)
))

UCI's ANSWER

Defendant UCI, through undersigned counsel, hereby responds to the Complaint as follows:

1. The first paragraph, including footnote 1, states conclusions of law as to which no response is required. To the extent it contains any allegations, they are denied.
2. UCI denies the allegations in paragraph 2, except to admit that UCI was incorporated in 1977 and that Reverend Sun Myung Moon founded a religious movement.
3. UCI denies the allegations in paragraph 3, except to admit that Preston Moon was duly elected as President and Chairman of the Board of Directors of UCI in April 2006.
4. UCI denies the allegations in paragraph 4, except to admit that Reverend Sun Myung Moon is the father of Preston Moon and Sean Moon and that Sean Moon purports to be

the future spiritual leader and head of the worldwide Unification religious movement and International President of the Family Federation.

5. UCI denies the allegations in paragraph 5, except to admit that the Corporation's Articles of Incorporation were duly amended and updated in 2010.

6. UCI denies the allegations in paragraph 6, except to admit that Sean Moon addressed a letter, dated April 18, 2011, to Preston Moon, which letter speaks for itself, and that control of UCI has not been turned over to Peter H. Kim.

7. UCI denies the allegations in paragraph 7.

8. The eighth paragraph states a conclusion of law which UCI specifically contests. To the extent it contains any allegations, they are denied.

9. The ninth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, UCI admits that it is a non-profit corporation incorporated in the District of Columbia.

10. The tenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, UCI admits that it is incorporated in the District of Columbia.

11. UCI denies the allegations contained in the first three sentences of paragraph 11, except to admit that the Family Federation purports to be an entity within the Unification religious movement that provides direction to other church entities within the movement. UCI denies the allegations in the fourth sentence of paragraph 11, except to admit that Sean Moon purports to be the International President of the Family Federation. UCI denies the allegations of the fifth, sixth, and seventh sentences of paragraph 11.

12. UCI denies the allegations in paragraph 12, except to admit that UCI made contributions to the Universal Peace Federation (“UPF”) prior to 2009 and that UPF is a District of Columbia non-profit corporation and charitable organization.

13. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in the first sentence of paragraph 13. UCI admits the allegation of the second sentence of paragraph 13. UCI denies the remaining allegations in paragraph 13, except to admit that Japanese entities and individuals made substantial donations to UCI prior to 2009.

14. UCI denies the allegations in paragraph 14, except to admit that Douglas D. M. Joo is a U.S. citizen, a resident of Maryland, served on the UCI Board of Directors from July 1992 until August 2009, and served as President of UCI from July 1992 until March 2005, and that Reverend Chun Hwan Kwak became the President of UCI thereafter.

15. UCI denies the allegations in paragraph 15, except to admit that Peter H. Kim served on the UCI Board of Directors from October 2003 until August 2009. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations concerning Peter H. Kim’s current citizenship and residency.

16. UCI denies the allegations in paragraph 16, except to admit that UCI is a non-profit corporation incorporated in the District of Columbia.

17. UCI denies the allegations in paragraph 17, except to admit that Preston Moon is currently the President of UCI and Chairman of its Board of Directors.

18. UCI denies the allegations in paragraph 18, except to admit that Richard J. Perea was duly elected as a director of UCI in January 2009.

19. UCI denies the allegations in paragraph 19, except to admit that Michael Sommer was duly elected as a director of UCI in January 2009.

20. UCI denies the allegations in paragraph 20, except to admit that Jinman Kwak was duly elected as a director of UCI in August 2009.

21. UCI denies the allegations in paragraph 21, except to admit that Youngjun Kim was duly elected as a director of UCI in August 2009.

22. UCI admits that Reverend Sun Myung Moon founded the Unification religious movement. UCI lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 22.

23. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 23.

24. UCI admits that followers of the Reverend Sun Myung Moon came to the United States in or before 1961 and promoted the Unification religious movement.

25. UCI admits that, in 1961, followers of Reverend Sun Myung Moon in the United States incorporated the Holy Spirit Association for the Unification of World Christianity (“HSA-UWC (USA)”) under the Nonprofit Corporation Law of the State of California, and admits that HSA-UWC (USA) purports to be the corporate embodiment of the Unification religious movement in the United States.

26. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 26, except to admit that Reverend Sun Myung Moon and Bo Hi Pak were in the United States in the early 1970s and promoted the Unification religious movement.

27. UCI denies the allegations in paragraph 27, except to admit that in 1975, a bank account with the Diplomat National Bank in the District of Columbia was opened by Bo Hi Pak in the name of the Holy Spirit Association for Unification of World Christianity (t/a Unification

Church International), a Virginia association, and that monies held in a bank account in Reverend Sun Myung Moon's name were deposited into the Diplomat National Bank account.

28. The twenty-eighth paragraph states a conclusion of law to which no response is required. To the extent the paragraph contains any allegations, they are denied.

29. UCI denies the allegations in paragraph 29.

30. UCI denies the allegations in paragraph 30, except to admit that, between 1975 and 1977, millions of dollars were deposited into and withdrawn from the Diplomat National Bank account and that a District of Columbia non-profit corporation named Unification Church International was incorporated in 1977.

31. UCI denies the allegations in paragraph 31, except that Bo Hi Pak was UCI's President from February 1977 until July 1991 and was a member of the UCI Board of Directors starting in February 1977.

32. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in the first sentence of paragraph 32, except to admit that UCI's original Articles of Incorporation identify the corporation's original purposes, which speak for themselves. UCI denies the allegations of the remaining sentences of paragraph 32, as these sentences selectively and incorrectly allege the contents of UCI's original Articles of Incorporation, which speaks for itself.

33. UCI denies the allegations in paragraph 33, except to admit that UCI amended its Articles of Incorporation in 1980, which amendment speaks for itself.

34. UCI denies the allegations in paragraph 34.

35. UCI denies the allegations in paragraph 35.

36. UCI denies the allegations in paragraph 36.

37. UCI denies the allegations in paragraph 37.

38. UCI denies the allegations in paragraph 38, except to admit that Douglas D. M. Joo served on the UCI Board of Directors from July 1992 until August 2009 and was the President of UCI from July 1992 until he resigned in early 2005.

39. UCI denies the allegations in paragraph 39, except to admit that UCI received donations of hundreds of millions of dollars from Japanese entities and individuals and that UCI made contributions to UPF prior to 2009.

40. UCI denies the allegations in paragraph 40.

41. UCI denies the allegations in paragraph 41.

42. UCI denies the allegations in paragraph 42, except to admit that Peter H. Kim was duly elected to UCI's Board of Directors in 2003.

43. UCI denies the allegations in paragraph 43, except to admit that Reverend Chung Hwan Kwak is Preston Moon's father-in-law and became the duly elected President of UCI in May 2005.

44. UCI denies the allegations in paragraph 44, except to admit that over a period of years UCI has received donations of hundreds of millions of dollars from Japanese entities and individuals.

45. UCI denies the allegations in paragraph 45, except to admit that Bo Hi Pak and Douglas D. M. Joo communicated about UCI's operations with Japanese entities and individuals who made, or were involved in the making of, donations to UCI.

46. UCI denies the allegations in paragraph 46, except to admit that Preston Moon is the son of Reverend Sun Myung Moon and that, in the spring of 2006, Preston Moon was duly elected to the UCI Board of Directors.

47. UCI denies the allegations in paragraph 47.
48. UCI denies the allegations in paragraph 48.
49. UCI denies the allegations in paragraph 49, except to admit that True World Group LLC purchased property located at 24 Link Drive, Rockleigh, New Jersey, from UV Sales, Inc.
50. UCI denies the allegations in paragraph 50.
51. UCI denies the allegations in paragraph 51, except to admit that UVGSC and One Up entered into an agreement.
52. The fifty-second paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.
53. UCI denies the allegations in paragraph 53.
54. UCI denies the allegations in paragraph 54, except to admit that Sean Moon purports to be the future spiritual leader and head of the worldwide Unification religious movement and the International President of the Family Federation.
55. UCI denies the allegations in paragraph 55.
56. The fifty-sixth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.
57. UCI denies the allegations in paragraph 57.
58. UCI denies the allegations in paragraph 58, except to admit that Preston Moon, as Chairman of UCI, nominated Michael Sommer and Richard Perea to serve as members of the Board of Directors, and each was duly elected at a meeting held on January 12, 2009, in Arizona.
59. UCI denies the allegations in paragraph 59.

60. UCI denies the allegations in paragraph 60, except to admit that Thomas Walsh resigned as a director of UCI on January 12, 2009.

61. UCI denies the allegations in paragraph 61, except to admit that Victor Walters resigned as a director of UCI on January 12, 2009.

62. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 62.

63. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 63.

64. UCI denies the allegations in paragraph 64.

65. UCI denies the allegations in paragraph 65.

66. UCI denies the allegations in paragraph 66, except to admit that Douglas D. M. Joo and Peter H. Kim were duly removed from the Board of Directors on August 2, 2009.

67. UCI denies the allegations in paragraph 67.

68. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraph 68.

69. UCI lacks knowledge or information sufficient to form a belief about the truth of the allegation in the first sentence of paragraph 69 concerning Douglas D. M. Joo's alleged consultation with Reverend Sun Myung Moon. UCI admits that Douglas D. M. Joo sent a letter addressed to the Directors of UCI relating, in part, to the August 2, 2009 Board meeting, which letter speaks for itself.

70. UCI denies the allegations in paragraph 70.

71. UCI denies the allegations in paragraph 71.

72. UCI denies the allegations in paragraph 72.

73. UCI denies the allegations in paragraph 73, except to admit that it received communications in 2009 requesting that Douglas D. M. Joo and Peter H. Kim be reinstated to the UCI Board of Directors.

74. UCI denies the allegations in paragraph 74, except to admit that Jinman Kwak and Youngjun Kim were duly elected to the Board of Directors in late August 2009.

75. UCI lacks knowledge or information to form a belief about the truth of the allegation in paragraph 75.

76. UCI denies the allegations in paragraph 76.

77. UCI admits that a statement was issued on August 9, 2009, relating, in part, to the August 2, 2009 Board meeting, which statement speaks for itself. UCI lacks knowledge or information sufficient to form a belief about the truth of the remaining allegations in paragraph 77.

78. UCI admits that Peter H. Kim addressed letters to Preston Moon dated August 14 and 19, 2009, which letters speak for themselves. UCI denies the allegations in the final sentence of paragraph 78.

79. UCI denies the allegations in paragraph 79.

80. UCI denies the allegations in paragraph 80, except to admit that donations from Japanese entities and individuals to UCI ceased in 2009.

81. UCI denies the allegations in paragraph 81, except to admit that Preston Moon resigned from UPF and was removed from the Board of Directors of HSA-UWC (USA).

82. UCI denies the allegations in paragraph 82, except to admit that UCI has made donations to the Global Peace Festival Foundation.

83. UCI denies the allegations in paragraph 83, except to admit that the UCI Articles of Incorporation were duly amended and updated in April 2010, which amendments speak for themselves.

84. UCI denies the allegations in paragraph 84, except to admit that amended and updated Articles of Incorporation were duly filed with the District of Columbia.

85. UCI denies the allegations in paragraph 85.

86. The eighty-sixth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

87. UCI denies the allegations in paragraph 87.

88. UCI denies the allegations in paragraph 88.

89. UCI denies the allegations in paragraph 89.

90. UCI admits that that Sean Moon, among others, addressed a letter to Preston Moon dated August 11, 2010, which letter speaks for itself.

91. The ninety-first paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

92. UCI denies the allegations in paragraph 92.

93. UCI denies the allegations in paragraph 93, except to admit that a building located at 650 Massachusetts Avenue N.W., Washington, D.C., owned by Washington Television Center LLC was sold in December 2010.

94. UCI denies the allegations in paragraph 94, except to admit that a property located at 6032 Crimson Court in McLean, Virginia, was sold in March 2011 by News World Communications, Inc.

95. UCI denies the allegations in paragraph 95, except to admit that Sean Moon addressed a letter to Preston Moon dated April 18, 2011, which letter speaks for itself.

96. UCI denies the allegations in paragraph 96.

97. UCI denies the allegations in paragraph 97.

98. The ninety-eighth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

COUNT I – BREACH OF TRUST AND AIDING AND ABETTING SAME

99. UCI's responses to paragraphs 1-98 are reasserted as though set forth in full herein.

100. The one-hundredth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

101. UCI denies the allegations in paragraph 101.

102. UCI denies the allegations in paragraph 102.

103. UCI denies the allegations in paragraph 103.

104. UCI denies the allegations in paragraph 104.

105. The one hundred and fifth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

106. The one hundred and sixth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

107. The one hundred and seventh paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

108. UCI denies the allegations in paragraph 108.

109. UCI denies the allegations in paragraph 109.

110. UCI denies the allegations in paragraph 110.

111. The one hundred and eleventh paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied

112. The one hundred and twelfth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

**COUNT II – BREACH OF FIDUCIARY DUTIES, *ULTRA VIRES* ACTS AND
AIDING AND ABETTING SAME**

113. UCI's responses to paragraphs 1-112 are reasserted as though set forth in full herein.

114. The one hundred and fourteenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

115. The one hundred and fifteenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

116. The one hundred and sixteenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

117. The one hundred and seventeenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

118. The one hundred and eighteenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

119. The one hundred and nineteenth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

120. The one hundred and twentieth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

121. The one hundred and twenty-first paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

122. The one hundred and twenty-second paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

123. The one hundred and twenty-third paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

COUNT III – BREACH OF FIDUCIARY DUTY AS AGENT AND AIDING AND ABETTING SAME

124. UCI's responses to paragraphs 1-123 are reasserted as though set forth in full herein.

125. UCI denies the allegations in paragraph 125.

126. The one hundred and twenty-sixth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

127. The one hundred and twenty-seventh paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

128. The one hundred and twenty-eighth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

129. UCI denies the allegations in paragraph 129.

130. The one hundred and thirtieth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

COUNT IV – BREACH OF CONTRACT

131. UCI's responses to paragraphs 1-130 are reasserted as though set forth in full herein.

132. UCI denies the allegation in paragraph 132, except UCI admits that it has received donations of hundreds of millions of dollars from Japanese entities and individuals.

133. UCI denies the allegations in paragraph 133.

134. The one hundred and thirty-fourth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

135. The one hundred and thirty-fifth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

136. The one hundred and thirty-sixth paragraph states a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

137. The one hundred and thirty-seventh paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

COUNT V – PROMISSORY ESTOPPEL

138. UCI's responses to paragraphs 1-138 are reasserted as though set forth in full herein.

139. UCI denies the allegation in paragraph 139, except UCI admits that it has received donation of hundreds of millions of dollars from Japanese entities and individuals.

140. UCI denies the allegations in paragraph 140.

141. UCI denies the allegations in paragraph 141.

142. UCI denies the allegations in paragraph 142.

143. The one hundred and forty-third paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

144. The one hundred and forty-fourth paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

145. UCI denies the allegations in paragraph 145.

146. The one hundred and forty-sixth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

147. The one hundred and forty-seventh paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

COUNT VI – UNJUST ENRICHMENT

148. UCI's responses to paragraphs 1-147 are reasserted as though set forth in full herein.

149. UCI denies the allegation in paragraph 149, except UCI admits that it has received donations of hundreds of millions of dollars from Japanese entities and individuals.

150. UCI denies the allegations in paragraph 150.

151. UCI denies the allegations in paragraph 151.

152. UCI denies the allegations in paragraph 152.

153. The one hundred and fifty-third paragraph states conclusions of law as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

154. The one hundred and fifty-fourth paragraph states conclusions of law and a prayer for relief as to which no response is required. To the extent the paragraph contains any allegations, they are denied.

PRAYER FOR RELIEF

UCI denies that Plaintiffs are entitled to any of the prayed-for relief.

UCI's AFFIRMATIVE DEFENSES

1. Plaintiffs have failed to state claims upon which relief can be granted.
2. Plaintiffs' claims must be dismissed for lack of subject matter jurisdiction.
3. Plaintiffs' claims are barred, in whole or in part, from being heard by this Court by the religion clauses of the First Amendment of the United States Constitution.
4. Plaintiffs' claims are barred, in whole or in part, from being heard by this Court by the doctrine of ecclesiastical bar or abstention.
5. Plaintiffs' claims must be dismissed because Plaintiffs have failed to join indispensable parties.
6. Plaintiffs lack standing to bring the claims asserted in the Complaint.
7. Plaintiffs lack capacity under District of Columbia law to file suit in the Superior Court of the District of Columbia.
8. Plaintiffs' claims are barred, in whole or in part, by the doctrine of unclean hands.
9. Plaintiffs' claims are barred, in whole or in part, by the doctrine of laches.
10. Plaintiffs' claims are barred, in whole or in part, by the applicable statute of limitations.
11. Plaintiffs' claims fail, in whole or in part, because Plaintiffs cannot prove the existence of an oral charitable trust.

12. Plaintiffs' claims fail, in whole or in part, because the alleged creation of the purported "Unification Church International Trust" ("Trust") did not satisfy any of the requisite elements of trust creation, as articulated by the common law in 1975, when the alleged Trust was formed, or as set forth in D.C. Code § 19-1304.02.

13. Plaintiffs' claims fail, in whole or in part, because the purported settlor of the Trust, Reverend Sun Myung Moon, did not possess a legal transferrable ownership interest in the trust res.

14. Plaintiffs' claims fail, in whole or in part, because the purported settlor of the Trust, Reverend Sun Myung Moon, never transferred title of the trust res to a purported trustee of the Trust.

15. Plaintiffs' claims fail, in whole or in part, because the creation of the purported Trust was induced by fraud, duress, or undue influence.

16. Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, the Trust terminated upon the transfer of the trust res to UCI or sometime thereafter.

17. Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, it was revoked thereafter by the Trust's purported settlor(s).

18. Plaintiffs' claims fail, in whole or in part, because Preston Moon did not knowingly agree to become a trustee of the alleged Trust.

19. Plaintiffs' claims fail, in whole or in part, because Preston Moon was induced to become an alleged co-trustee of the Trust by fraud, duress, or undue influence.

20. Plaintiffs' claims fail, in whole or in part, because even if the alleged Trust was formed, neither Plaintiff Douglas D. M. Joo nor Plaintiff Peter H. Kim is a current co-trustee of the Trust.

21. Plaintiffs' claims fail, in whole or in part, because Preston Moon did not breach any duty that he owed as a trustee of the Trust and none of the other Individual Defendants aided or abetted any such breach of trust.

22. Plaintiffs' claims are barred by D.C. Code § 29-403.04.

23. Plaintiffs' claims fail, in whole or in part, because the Individual Defendants' actions were not *ultra vires*.

24. Plaintiffs' claims fail, in whole or in part, because UCI has not taken any action contrary to its Articles of Incorporation, Bylaws or any applicable law.

25. Plaintiffs' claims are barred, in whole or in part, by the business judgment rule.

26. Plaintiffs' claims fail, in whole or in part, because the Individual Defendants acted in good faith with respect to the conduct at issue.

27. Plaintiffs' claims fail, in whole or in part, because the Individual Defendants, individually or collectively, did not breach or aid or abet a breach of any fiduciary duty owed to UCI.

28. Plaintiffs' claims fail, in whole or in part, because none of the Individual Defendants is presently, or was at any time in the past, an agent of any of the Plaintiffs.

29. Plaintiffs' claims fail, in whole or in part, because even if any Individual Defendant is an agent of any Plaintiff, none of the Individual Defendants breached any fiduciary duty owed to any Plaintiff and none of the Individual Defendants aided or abetted a breach of any such fiduciary duty.

30. Plaintiffs' claims are barred, in whole or in part, by the doctrines of waiver, ratification and/or estoppel.

31. Plaintiffs' claims fail, in whole or in part, because the parties to the alleged contract did not reach agreement on all material terms.
32. Plaintiffs' claims fail, in whole or in part, because there was no mutual assent, or "meeting of the minds," as to the terms of the alleged contract.
33. Plaintiffs' claims fail, in whole or in part, because UCI did not manifest an intent to be bound by any oral agreement.
34. Plaintiffs' claims fail, in whole or in part, because UCI received inadequate legal consideration for any alleged promise or agreement.
35. Plaintiffs' claims fail, in whole or in part, because the parties to the alleged contract did not assume mutual obligations.
36. Plaintiffs' claims fail, in whole or in part, because the alleged contract is too indefinite to be enforceable.
37. Plaintiffs' claims fail, in whole or in part, because any alleged contract, promise or agreement was induced by fraud, duress or undue influence.
38. Plaintiffs' claims are barred, in whole or in part, by the Statute of Frauds.
39. Plaintiffs' claims fail, in whole or in part, due to the Holy Spirit Association for the Unification of World Christianity (Japan)'s ("UCJ") anticipatory breach of the alleged contract.
40. Plaintiffs' claims fail, in whole or in part, due to UCJ's failure to perform under the alleged contract.
41. Plaintiffs' claims fail, in whole or in part, because UCI did not materially breach any term of the alleged agreement.

42. Plaintiffs' claims are barred, in whole or in part, because Plaintiffs must elect a remedy for UCI's alleged breach of contract.

43. Plaintiffs' claims fail, in whole or in part, because UCJ did not reasonably rely on any promise or conduct by UCI.

44. Plaintiffs' claims fail, in whole or in part, because they were released as part of the purchase of The Washington Times, LLC, from News World Communications LLC, on November 1, 2010.

45. Plaintiffs' claims fail, in whole or in part, because Plaintiffs have suffered no damages or actual losses.

46. Plaintiffs' claims fail, in whole or in part, because any alleged damages were not directly or proximately caused by Defendants.

47. Plaintiffs have failed to mitigate their damages, if any.

48. Plaintiffs' claims are barred, in whole or in part, by the doctrine of recoupment.

49. Plaintiffs' claims are barred, in whole or in part, by the doctrine of set-off.

50. Plaintiffs are not entitled to recover attorneys' fees.

51. Plaintiffs are not entitled to punitive damages.

52. Plaintiffs are not entitled to any remedies under the District of Columbia Uniform Trust Code.

53. Plaintiffs are not entitled to injunctive or other equitable relief.

54. UCI does not allege or admit that it bears the burden of proof with respect to any of the foregoing defenses, nor does UCI assume the burden of proof of any matters that would otherwise rest on Plaintiffs.

55. UCI reserves and asserts all affirmative defenses available under any applicable law. UCI presently has insufficient knowledge or information upon which to form a belief as to whether it may have other, as yet unstated, defenses available. Accordingly, UCI reserves the right to supplement this Answer and to assert additional affirmative or other defenses if discovery indicates that they would be appropriate.

UCI's COUNTERCLAIMS

UCI, by and through undersigned counsel, for its counterclaims states as follows:

I. INTRODUCTION

1. UCI brings counterclaims for damages and other relief against Hyung Jin ("Sean") Moon, Kook Jin ("Justin") Moon, In Jin ("Tatiana") Moon, Bo Hi Pak ("Pak"), The Tongil Foundation ("Tongil Foundation"), The Mission Foundation for the Family Federation for World Peace and Unification ("Mission Foundation"), The Holy Spirit Association for the Unification of World Christianity (USA) ("HSA-UWC (USA)"), The Family Federation for World Peace and Unification International ("Family Federation"), The Universal Peace Federation ("UPF"), The Holy Spirit Association for the Unification of World Christianity (Japan) ("UCJ"), Douglas D. M. Joo ("Joo"), and Peter H. Kim ("Kim"), for engaging in a common scheme and conduct that has caused injury to the commercial and charitable activities of UCI, its subsidiaries, and its affiliated non-profit corporations.

2. Additionally, UCI brings a claim, in the alternative, against Pak, Joo, and Kim (collectively "Alternative Counterclaim Defendants") for breach of their fiduciary duties as purported co-trustees of the alleged Unification Church International oral charitable trust ("Trust").

II. JURISDICTION

3. The Court has subject matter jurisdiction over these counterclaims pursuant to D.C. Code § 11-921.

4. The Court has personal jurisdiction over Counterclaim Defendants Family Federation, UPF, and UCJ, and over Counterclaim Defendants /Alternative Counterclaim Defendants Joo and Kim, because each is a Plaintiff in this action and has thereby subjected itself or himself to the jurisdiction of this Court.

5. The Court has personal jurisdiction over Counterclaim Defendants Mission Foundation, Tongil Foundation, HSA-UWC (USA), Sean Moon, Justin Moon, Tatiana Moon, and Pak under D.C. Code §§ 13-423(a)(1), (3) and (4), because each of the Counterclaim Defendants, individually and through their agents, (a) transacts business in the District of Columbia, (b) caused tortious injury in the District of Columbia by an act or omission in the District of Columbia, or (c) caused tortious injury in the District of Columbia by an act or omission outside the District of Columbia and regularly does or solicits business, engages in a persistent course of conduct, or derives substantial revenue from goods used or consumed, or services rendered, in the District of Columbia. Additionally, the Court has general jurisdiction over HSA-UWC (USA) under D.C. Code § 13-422, because it is domiciled in the District of Columbia, and under D.C. Code § 13-334(a), because it has a continuing corporate presence in the District of Columbia directed at advancing the corporation's objectives.

6. The Court also has personal jurisdiction over Alternative Counterclaim Defendant Pak under D.C. Code §§ 13-423(a)(1), (3) and (4), because the Alternative Counterclaim against him arises from his acts and omissions in and outside the District of Columbia (a) as a purported co-trustee of the alleged Trust, which was allegedly formed in the District of Columbia, and

(b) as the former President and a former director of UCI, which Pak formed in the District of Columbia allegedly to implement the purposes of the alleged Trust.

III. PARTIES

7. Counterclaim Defendant Sean Moon is a citizen of the United States and a resident of South Korea and Westchester County, New York, and is a son of Reverend Sun Myung Moon. Sean Moon identifies himself as the International President of the Family Federation. As the International President of the Family Federation, Sean Moon purports to control the affairs of the Unification religious movement worldwide, including those of HSA-UWC (USA), the Mission Foundation, UCJ, and UPF. He is also the Chairman of the Board of Counterclaim Defendants HSA-UWC (USA) and UPF. Sean Moon, directly or through his agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

8. Counterclaim Defendant Justin Moon is a citizen of the United States and a resident of South Korea and Rockland County, New York, and is a son of Reverend Sun Myung Moon. Justin Moon is the Chairman and CEO of the Tongil Foundation and a Director of HSA-UWC (USA). Justin Moon is the founder and CEO and President of Kahr Arms, a New York-based designer and manufacturer of concealed carrying pistols. Kahr Arms is owned by Saeilo Corporation. Justin Moon transacts business and engages in a persistent course of conduct in the District of Columbia, including through his frequent personal appearances and fundraising efforts on behalf of Unification religious movement entities. Justin Moon directly, or through his agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

9. Counterclaim Defendant Tatiana Moon is a citizen of the United States and a resident of New York and Massachusetts and a daughter of Reverend Sun Myung Moon. Tatiana Moon is the President and CEO of HSA-UWC (USA). Tatiana Moon transacts business and engages in a persistent course of conduct in the District of Columbia, including through her

frequent personal appearances and fundraising efforts on behalf of HSA-UWC (USA) and other Unification religious movement entities. Tatiana Moon, directly or through her agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

10. Counterclaim Defendant/Alternative Counterclaim Defendant Pak is a citizen and resident of the United States. Pak, directly or through his agents, has participated in a scheme to damage the commercial and charitable activities of UCI. Additionally, and in the alternative, as a self-identified current co-trustee of the alleged Trust, and as a former President and Director of UCI, Pak, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

11. Counterclaim Defendant Tongil Foundation is a Korean non-profit foundation with its principal place of business in Seoul, Korea. The Tongil Foundation purports to be the business arm of the Unification religious movement. Counterclaim Defendant Justin Moon is the Chairman and CEO of the Tongil Foundation and Counterclaim Defendants Sean Moon and Kim are members of its Board of Directors. Agents of the Tongil Foundation participated in meetings in the District of Columbia in furtherance of acts described in this Counterclaim. The Tongil Foundation, directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

12. Counterclaim Defendant Mission Foundation is a Korean non-profit foundation with its principal place of business in Seoul, Korea. Counterclaim Defendants Sean Moon and Kim are Directors of the Mission Foundation, and Kim has identified himself as the "Secretary General" of the Mission Foundation. The Mission Foundation, through its agents, transacts business and engages in a persistent course of conduct in the District of Columbia. The Mission

Foundation, directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

13. Counterclaim Defendant HSA-UWC (USA) is a California non-profit religious corporation that identifies itself as the corporate embodiment of the Unification religious movement in the United States. Tatiana Moon is the President and CEO of HSA-UWC (USA). HSA-UWC (USA) does business in the District of Columbia directly, or through a subsidiary entity, under the name Holy Spirit Association for the Unification of World Christianity (District of Columbia) at 1610 Columbia Road, N.W., Washington, D.C. Counterclaim Defendant HSA-UWC (USA), directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

14. Counterclaim Defendant Family Federation is either a District of Columbia non-profit corporation with its principal place of business in Seoul, Korea and/or the name used by some people in Korea to refer to the Holy Spirit Association for the Unification of World Christianity, a Korean non-profit religious association that promotes the Unification religious movement in Korea. The Family Federation purports to be the entity that controls the affairs of the Unification religious movement worldwide, including those of HSA-UWC (USA), the Mission Foundation, UCJ, and UPF. The Family Federation, directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

15. Counterclaim Defendant UPF is a District of Columbia non-profit corporation with its principal place of business in New York, New York. Counterclaim Defendant Sean Moon is the Chairman of the Board of UPF. UPF, directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI.

16. Counterclaim Defendant UCJ is a Japanese religious corporation with its principal place of business in Tokyo, Japan. UCJ, directly and through its agents, has participated in a scheme to damage the commercial and charitable activities of UCI. Counterclaim Defendant Justin Moon is the recognized and de facto head of UCJ.

17. Counterclaim Defendant/Alternative Counterclaim Defendant Joo is a citizen of the United States and a resident of Maryland. Joo, directly or through his agents, has participated in a scheme to damage the commercial and charitable activities of UCI. Additionally, and in the alternative, as a self-identified current co-trustee of the alleged Trust, and as a former President and Director of UCI, Joo, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

18. Counterclaim Defendant/Alternative Counterclaim Defendant Kim claims at present to be a citizen and resident of Korea, though at certain times relevant herein, he was a citizen of the United States and a resident of New York. Kim, directly or through his agents, has participated in a scheme to damage the commercial and charitable activities of UCI. Additionally, and in the alternative, as a self-identified current co-trustee of the alleged Trust, and as a former Director of UCI, Kim, through his acts and omissions, has breached his fiduciary duties as a co-trustee of the alleged Trust.

IV. FACTUAL ALLEGATIONS

A. The Creation of UCI.

19. In September 1961, followers of Reverend Sun Myung Moon in the United States incorporated the Holy Spirit Association for the Unification of World Christianity, or HSA-UWC (USA), under the Nonprofit Corporation Laws of the State of California. The purpose and mission of this corporation, as set forth in its Articles of Incorporation, included “the worship of God and the study, teaching and practical application of Divine Principles.” In 1963, HSA-

UWC (USA) was granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, as the purported corporate embodiment of the Unification religious movement in the United States.

20. On March 20, 1963, Pak established, as an entity separate and apart from HSA-UWC (USA), an association under Virginia law with the same name as the church, i.e., the Holy Spirit Association for the Unification of World Christianity. This association was granted an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code, based on its representation that it was independent of any other Unification religious movement organization, whether in the United States or abroad.

21. After receiving federal tax exemption, the Virginia association founded by Pak did not file any required reports with the Internal Revenue Service or otherwise comply with the restrictions imposed by Section 501(c)(3) and, instead, engaged in numerous commercial and other activities that were inconsistent with those restrictions.

22. On February 10, 1975, the Internal Revenue Service terminated the tax-exempt status of HSA-UWC (USA), and thereafter conducted an exhaustive examination to determine whether HSA-UWC (USA) was, in fact, a church and whether it had complied with the requirements for maintaining its federal tax-exempt status. This examination included a review of HSA-UWC (USA)'s bank account at the Chase Manhattan Bank in New York and the associated bank account of Reverend Sun Myung Moon, the founder of the Unification religious movement.

23. Thereafter, in December 1975, Pak and Reverend Sun Myung Moon opened a checking account for the Virginia association at Diplomat National Bank in Washington, D.C., in the name of Unification Church International ("Diplomat Bank Checking Account"). The bank

account did not name any beneficiaries or otherwise indicate that the assets in the account belonged to a trust. From December 15, 1975, until February 2, 1977, millions of dollars were deposited into and withdrawn from the Diplomat Bank Checking Account for various purposes that were inconsistent with the federal tax-exempt status that had previously been granted to the Virginia association.

24. Because of the then-ongoing IRS examination of HSA-UWC (USA) and concerns related to the failure of the Virginia association to comply with its own tax-exempt status, Pak incorporated a new District of Columbia non-profit corporation in February 1977, and named it Unification Church International (“UCI”). Immediately after UCI’s formation, the directors of the new District of Columbia corporation, all of whom had been directors of the Virginia association: (1) ratified the Virginia association’s prior opening of the Diplomat Bank Checking Account in December 1975 as an act of UCI, (2) ratified all disbursements that had been made by the Virginia association from the Diplomat Bank Checking Account since December 1975 as acts of UCI, and (3) caused UCI to file corporate tax returns for the tax years 1975 and 1976, periods prior to its incorporation. The directors also subsequently decided not to apply for federal tax exemption.

25. Through all of their actions, the original incorporators and directors of UCI created a District of Columbia non-profit corporation – as a successor to the Virginia association – that was separate and independent from the control of all other Unification religious movement organizations, whether in the United States or abroad.

B. Mismanagement of UCI’s Assets from 1977 to 2005.

26. In March 1977, One Up Enterprises, Inc. (“One Up”), was established as a for-profit corporation under Delaware law and UCI acquired 100% of its stock. From this point forward, One Up became the holding company for UCI’s various subsidiary for-profit

enterprises, which were to be operated for the purpose of creating a dividend payable to UCI to be used by UCI to realize its non-profit mission and purposes.

27. Pak was UCI's first President, and he remained President until January 1, 1992, when Joo succeeded him. Pak remained a Director of UCI through 2003. As President, Pak was responsible for making investments in and advancing money to One Up and its subsidiaries and for spending UCI funds, including donations and gifts that UCI received, to further UCI's mission and purposes. Instead, Pak's tenure as President of UCI was marked by the mismanagement and waste of UCI's assets for purposes unrelated to its mission, including the expenditure of UCI funds for his personal benefit.

28. For instance, at the time of UCI's incorporation, Pak was the subject of multiple government investigations. The Securities and Exchange Commission investigated Pak for illegally acquiring and controlling stock in the Diplomat National Bank. The Internal Revenue Service investigated Pak's personal tax returns. He also was investigated by the United States House of Representatives Subcommittee on International Organizations as a foreign agent of the Korean intelligence services. In connection with these and other investigations, Pak used UCI funds to pay his legal fees and expenses.

29. In addition, Pak made numerous wasteful and inappropriate uses of UCI funds, including, but not limited to, investments in and loans and other disbursements to companies and organizations in which he, his children, or close associates either had a personal financial interest or controlled. Among the inappropriate uses of UCI funds that Pak caused were:

a. The transfer of more than \$20 million to the Korean Culture and Freedom Foundation ("KCFF"), a non-profit, tax-exempt organization headquartered in Washington, D.C. Pak founded KCFF and, on information and belief, beginning in 1977 and continuing thereafter,

misused KCFF's funds for his personal purposes and otherwise wasted KCFF funds. In 2004 in Korea, at a time when UCI still was donating over a \$1 million annually to KCFF, Pak was convicted of defrauding Korean businessmen in connection with a scheme to raise money for projects sponsored by KCFF. Pak served over two years in prison for the fraud offense.

b. The expenditure of millions of dollars on a real estate venture based in New Haven, Connecticut, named Oceanic Landing, Inc., which was owned and controlled by a close associate and friend of Pak's.

c. The allocation of tens of millions of dollars to support the operations of Atlantic Video, Inc., a media company headed by Pak's son, Jonathan Park. Atlantic Video suffered annual losses in the millions of dollars during Pak's tenure as President of UCI.

30. In 1992, Joo became President of UCI, and he served in that capacity until 2005. Also, from September 2005 to November 2009, Joo served as President of several UCI subsidiaries. Much like Pak's tenure as President of UCI, Joo's tenure with UCI and its subsidiaries was marked by the mismanagement and waste of UCI's assets, including related-party transactions. Among the imprudent and wasteful expenditures that Joo caused were:

a. The loss of hundreds of millions of dollars to purchase and fund the operations of The Nostalgia Network, Inc., a cable television network that also operated under the names Goodlife TV and American Life TV, and whose primary programming included re-broadcasts of syndicated shows, such as "L.A. Law," "Hill Street Blues," and "St. Elsewhere." After becoming Chairman and President of UCI, Preston Moon caused the termination of financial support for the operations of The Nostalgia Network, concluding that it was a wasteful use of UCI funds and inconsistent with UCI's stated mission and goals.

b. The disbursement in 2003 of a \$15 million loan to St. George, Ltd., a South American enterprise controlled and operated by Joo's relative. St. George did not repay any portion of, and did not pay interest on, the \$15 million loan.

c. The continued expenditure of tens of millions of dollars to support the operations of Atlantic Video, even though the company continued to lose millions of dollars annually.

C. Preston Moon Institutes Reforms at UCI.

31. Preston Moon graduated from Columbia University in the City of New York in 1995, and earned his M.B.A. from Harvard Business School in 1998. In 2006, at the urging of leaders of the Unification religious movement, Preston Moon agreed to join the Board of UCI, whereupon he was duly elected as a Director of UCI and as its President (a title later changed to President and CEO). He became the duly elected Chairman of UCI shortly thereafter, effective as of April 2006. At no point was Preston Moon informed of, nor did he otherwise become aware of, the existence of the alleged oral charitable Trust, until Plaintiffs pled its alleged formation in this lawsuit.

32. Upon becoming the CEO of UCI, Preston Moon began a series of reforms designed both to reverse the poor business practices and financial mismanagement of his predecessors, Pak and Joo, and to implement modern business practices within the companies that UCI owned and controlled through One Up. He also commissioned business analyses and evaluations to minimize cash expenditures on UCI's operations that annually lost money, such as The Washington Times and other media properties. Preston Moon instituted these changes at UCI to improve the profitability of the corporation so that it could more effectively carry out Reverend Sun Myung Moon's vision, as reflected in UCI's amendment of its Articles of Incorporation in April 2010, "[t]o promote and conduct educational, cultural, and religious

programs for the purpose of furthering world peace, harmony of all humankind, interfaith understanding among all races, colors and creeds throughout the world.”

33. In addition to reforming UCI’s business and financial practices, Preston Moon also sought to better serve the corporation’s purpose of furthering “world peace, harmony of all mankind and interfaith understanding between all races, colors, and creeds throughout the world” by founding the Global Peace Festival Foundation (“GPF”) and by designating GPF as the primary recipient of charitable donations from UCI and its various subsidiary corporations. GPF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. GPF’s mission is to celebrate and promote “the vision of One Family Under God through building interfaith partnerships, vibrant families, and a culture of service and peace.” GPF sponsors numerous initiatives throughout the world that are designed to promote and develop, among other things, leadership, character, and peace education; social entrepreneurship and community development; interfaith partnerships and conflict resolution; and stronger families.

D. The Backlash to Preston Moon’s Reforms and the Efforts to Harm UCI.

34. Preston Moon’s reforms and his growing international stature and reputation upset and caused jealousy among many powerful people within the Unification religious movement, especially his younger brothers, Justin Moon and Sean Moon, and his sister, Tatiana Moon. Coveting control of UCI and wanting to diminish their brother’s influence within the Unification religious movement, starting in 2009 and continuing until the present, Preston Moon’s siblings, along with other entities and individuals named and unnamed in this Counterclaim, orchestrated a worldwide campaign to interfere with and damage the commercial and charitable activities of UCI by, among other things: (a) making or causing others to make false statements about Preston Moon’s actions as the Chairman and CEO of UCI, (b) directing or causing others to

disrupt the operations and business activities of One Up's for-profit subsidiaries, and
(c) directing or causing others to interfere with the activities of GPFF.

35. The numerous false statements made about Preston Moon's actions as Chairman and CEO of UCI contain one or more of the following untrue assertions: (a) that Preston Moon has usurped assets and funds owned and controlled by UCI; (b) that Preston Moon has diverted assets and funds controlled by UCI for his own personal purposes and/or self-enrichment; (c) that Preston Moon has caused UCI to use donated funds for purposes inconsistent with UCI's purposes and mission; and (d) that Preston Moon, under the influence of others, has become a non-believer in Unification religious principles – a "Fallen Adam" who has come under the control of "Fallen Lucifer," or "Satan" – and has used UCI's assets and funds to advance religious and spiritual ideals and principles contrary to those of the Unification religious movement. These false statements have been made either directly by one or more of the Counterclaim Defendants or by others, including the Counterclaim Defendants' agents and representatives, at the Counterclaim Defendants' direction. Examples of these false statements include the following, among others:

a. In or about January 2010, Reverend Joshua Cotter, the Executive Vice President of HSA-UWC (USA), along with Kim's wife, Phyllis Kim, acting on behalf of the Family Federation, HSA-UWC (USA), and other participants in the scheme, falsely told adherents of the Unification religious movement at meetings held throughout the United States that Preston Moon had "taken over" and "absconded" with the assets of UCI and that Preston Moon had begun to treat UCI's assets "as his own."

b. On or about February 22, 2010, at a meeting of worldwide leaders of the Unification religious movement that was led by Kim, Richard Bach, Kim's relative and a lawyer

for the Family Federation, the Tongil Foundation, the Mission Foundation, and UCJ, falsely said to those present (i) that Preston Moon had filed a lawsuit against his mother, (ii) that Preston Moon and other directors of UCI had breached their fiduciary duties to UCI by failing to support The Washington Times financially, (iii) that Preston Moon was selling off the assets of UCI in a manner contrary to UCI's mission to promote the public interest, and (iv) that Preston Moon had staged a "coup d'état" of UCI.

c. From October to December 2010, Reverend Cotter, acting on behalf of the Family Federation, HSA-UWC (USA), and other participants in the scheme, falsely told adherents of the Unification religious movement at various meetings held throughout the United States that, (i) Reverend Chung Hwan Kwak, the former head of UCI and the Tongil Foundation and Preston Moon's father-in-law, is a "Fallen Lucifer," or "Satan," who had "taken control of UCI" by "using and dominating" Preston Moon, who is a "Fallen Adam" within the Unification movement, and (ii) Reverend Kwak induced Preston Moon to commit "crimes" in connection with the management of UCI's assets. The Tongil Foundation re-published these false statements on its website, as of August 20, 2012, by linking to a video of a speech made by Reverend Cotter to Unification movement adherents in Chicago, Illinois, on November 4, 2010.

d. On or about September 18, 2011, in New York, New York, on behalf of the Family Federation, HSA-UWC (USA), and other participants in the scheme, Pak falsely told adherents of the Unification religious movement that (i) Reverend Kwak and his family had "usurped" the assets of UCI, and (ii) Reverend Kwak and Preston Moon "stole" UCI from its rightful owner, Reverend Sun Myung Moon.

e. On its Facebook page, on or about January 27, 2012, the Tongil Foundation falsely asserted that Preston Moon has “chosen to listen to the voice of [Reverend] Kwak and his family,” and has “taken assets intended for public use.”

36. Counterclaim Defendants’ actions have directed or caused the disruption of the operations and business activities of UCI’s for-profit subsidiaries, including as follows:

a. In the summer of 2009, Joo, who was then a purported co-trustee of the alleged Trust and a director and officer of multiple wholly owned subsidiaries of UCI, and Kim, who was then a purported co-trustee of the alleged Trust and “Secretary General” of the Mission Foundation, along with other Counterclaim Defendants, caused the cessation of millions of dollars of donations to UCI from Japanese entities and individuals. Joo, Kim, and other Counterclaim Defendants knew that such donations were used, in the sole discretion of UCI, to fund the operations of UCI and its wholly owned subsidiaries and knew that the cessation of such donations would impair UCI’s and its subsidiaries’ commercial activities and charitable purposes.

b. In November 2009, without the knowledge or authorization of UCI, and without the knowledge or authorization of other purported co-trustees of the alleged Trust, including Preston Moon, Joo caused the unlawful transfer of \$21 million from a wholly owned subsidiary of UCI, Washington Times Aviation USA LLC (“WTA”), to the Mission Foundation, whose Board of Directors included Sean Moon and Kim. Joo and Kim were criminally indicted by the Seoul Central District Prosecutor’s Office and are currently facing a criminal trial in Korea in connection with \$21 million transfer from WTA to the Mission Foundation.

c. With the encouragement and support of UCI and other Counterclaim Defendants, in December 2009, Richard Steinbronn, the former general counsel to UCI, filed

notices of lis pendens with regard to thirteen properties owned by News World Communications, Inc. (“News World”), and subsidiaries of USP Development, LLC (“USP Development”), in New York, West Virginia, Virginia, and the District of Columbia for the purposes of preventing News World and USP Development, both wholly owned subsidiaries of UCI, from marketing, selling, mortgaging, or otherwise engaging in real estate transactions involving these properties, and thereby preventing USP Development from reaching business goals set for it by UCI.

d. At the direction of one or more of the Counterclaim Defendants, in February 2011, Mr. Motoo Furuta and Mr. Takeshi Yashiro, current or former officers of True World Holdings, LLC, instructed managers and employees of True World Holdings to walk off the job for a day and thereafter to engage in work behavior that would prevent True World Holdings and its affiliated for-profit entities from reaching business goals set for it by UCI. True World Holdings is the largest revenue-generating, for-profit subsidiary of UCI and One Up,

37. Counterclaim Defendants’ actions have directed or caused the disruption of UCI’s business relations with GPF, including as follows:

a. Prior to a GPF-sponsored Global Peace Convention in Nepal in October 2010, one or more of the Counterclaim Defendants caused their agents to pay a reporter of a local Nepalese newspaper to run articles critical of the activities of GPF and to convince various government officials and dignitaries, including the President of Nepal, not to attend the conference, resulting in lower than expected attendance at the Global Peace Convention;

b. Prior to a GPF-sponsored Global Peace Convention in Mongolia in August 2011, one or more of the Counterclaim Defendants caused their agents to report falsely to government officials and dignitaries that the GPF event in Mongolia was underwritten with stolen money, resulting in lower than expected attendance at the Global Peace Convention,

including by government officials and dignitaries, such as the President of Mongolia, who did not attend the event.

c. Prior to a GPF- sponsored Global Peace Leadership Conference in Japan in June 2012, one or more of the Counterclaim Defendants, caused their agents to appear at the hotel where the conference was scheduled to take place and caused the hotel to cancel the contract entered into by GPF by threatening to stage demonstrations and to disrupt the conference and, when the conference nevertheless went forward at a new venue, caused their agents to harass attendees by attempting to videotape them upon exiting the conference.

38. At the time that each of the Counterclaim Defendants either engaged in the actions described above or directed or caused others to engage in the actions described above, the Counterclaim Defendants each knew that UCI, through One Up, operated numerous for-profit business enterprises, including True World Holdings, News World, and USP Development, among others; that UCI would receive dividends from One Up from the operations of its for-profit entities; and, that UCI would use the dividends from One Up to support its public mission and purposes, including by making donations to GPF.

E. Injuries Suffered by UCI.

39. As a direct and proximate result of the actions described above, persons who and organizations that previously had made unrestricted gifts to UCI for use in fulfilling its mission and purposes ceased making donations; the dividends paid to One Up by True World Holdings, USP Development, and other subsidiaries of One Up have been diminished; and the ability of UCI to fulfill its public purposes and mission through the conferences and festivals sponsored by GPF has been impaired.

V. STATEMENT OF CLAIMS

**Count I – Intentional Interference with Business Relations and
Aiding and Abetting the Same
(Against All Counterclaim Defendants)**

40. The allegations in paragraphs 1-39 above are repeated and realleged as if set forth fully herein.

41. Since 2009, Counterclaim Defendants, together with others named and unnamed in this Counterclaim, have orchestrated a worldwide campaign with the intent to interfere improperly with and damage UCI's existing and prospective business relations with, among others: (a) its wholly owned for-profit subsidiaries, such as True World Holdings and USP Development, from whom UCI receives dividends, through One Up, and which dividends UCI uses to support its mission and purposes, (b) donors to UCI, including entities and individuals in Japan, upon whom UCI has relied to fund its and its subsidiaries' operations, (c) potential purchasers or mortgagers of real properties owned by USP Development or News World or their subsidiaries or affiliated entities, (d) the managers and employees of UCI's largest revenue-generating, for-profit subsidiary, True World Holdings, and (e) GPFF and other entities and individuals who seek to support UCI's public mission and purposes.

42. The Counterclaim Defendants had knowledge of UCI's business relations, and by their actions intended to and did interfere with those business relations by, among other things: (a) making or causing others to make false statements about UCI and Preston Moon's actions as Chairman and CEO of UCI, (b) causing donors in Japan and elsewhere to cease making contributions to UCI, (c) disrupting the commercial activities of True World Holdings, (d) encouraging Richard Steinbronn, UCI's former in-house general counsel, to file notices of lis pendens on properties owned by UCI's wholly owned subsidiaries, and (e) causing the disruption of, and interfering with, GPFF events worldwide.

43. Each of the Counterclaim Defendants was aware of its or his or her role as part of an overall scheme to intentionally interfere with UCI's business relations, and knowingly and substantially assisted the other Counterclaim Defendants and others in carrying out the scheme.

44. UCI has been damaged in an amount to be determined as a result of this intentional and improper interference with its existing and prospective business relations, including from the diminution of dividends from subsidiaries True World Holdings and USP Development, and from the loss of expected unrestricted gifts and donations to UCI for fulfilling its mission.

Count II – Civil Conspiracy
(Against All Counterclaim Defendants)

45. The allegations in paragraphs 1-44 above are repeated and realleged as if set forth fully herein.

46. The Counterclaim Defendants agreed, among themselves and with others named and unnamed in this Counterclaim, to participate in a scheme to intentionally interfere with UCI's existing and prospective business relations.

47. The Counterclaim Defendants implemented their common scheme by engaging in overt acts in furtherance of their scheme, with the intent to interfere with UCI's business relations by, among other things: (a) making or causing others to make false statements about UCI and Preston Moon's actions as Chairman and CEO of UCI, (b) causing donors in Japan and elsewhere to cease making contributions to UCI, (c) disrupting the commercial activities of True World Holdings, (d) encouraging Richard Steinbronn, UCI's former in-house general counsel, to file notices of lis pendens on properties owned by UCI's wholly owned subsidiaries, and (e) causing the disruption of, and interfering with, GPF events worldwide.

48. UCI has been damaged in an amount to be determined as a direct result of the actions of Counterclaim Defendants in furtherance of their scheme to interfere with UCI's existing and prospective business relations.

Count III – Conversion
(Against Counterclaim Defendants Justin Moon and Tongil Foundation only)

49. The allegations in paragraphs 3, 5, 8, and 11 above are repeated and realleged as if set forth fully herein.

50. At a meeting in the District of Columbia in 2010, agents of Justin Moon and the Tongil Foundation caused Richard Steinbronn, UCI's former in-house general counsel, to give them copies of UCI's tax returns and other confidential business records and information. The agents of Justin Moon and the Tongil Foundation knew that UCI's tax returns and other confidential business records and information were not a matter of public record and knew that their receipt of such records was without the consent of UCI. Justin Moon and the Tongil Foundation thereafter used UCI's tax returns and other records in litigation in Korea and in statements attacking UCI and Preston Moon.

51. Justin Moon and the Tongil Foundation wrongfully exercised dominion and control over UCI's tax returns and other confidential business records and information, and in so doing caused injury to UCI.

Count IV – Breach of Trust
(Against All Alternative Counterclaim Defendants)

52. The allegations in paragraphs 1-39 are repeated and realleged as if set forth fully herein.

53. Plaintiffs have alleged that Alternative Counterclaim Defendants Pak, Joo, and Kim were, at all times relevant to this Alternative Counterclaim, co-trustees of the alleged oral charitable Trust.

54. In the event that the Trust is deemed to exist, UCI, as an entity that was allegedly formed “to implement the purposes of the trust,” served, and continues to serve, as a corporate co-trustee of the Trust. Additionally, and in the alternative, UCI is a beneficiary of the Trust because, in “implement[ing] the purposes of the Trust,” it holds a power of appointment over trust property, including the authority to designate recipients of the beneficial interest of the Trust’s property.

55. In the event that the Trust is deemed to exist, the Alternative Counterclaim Defendants owe, and have owed since they allegedly became co-trustees, fiduciary duties, described below, to effectuate the purposes of the Trust and to ensure that the assets of the Trust are used consistent with those purposes.

56. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to administer the Trust, which includes and encompasses, among others, the following duties: the duty to ascertain the responsibilities of trusteeship; the duty to collect and preserve Trust property; the duty to promptly inform Trust beneficiaries of the existence of the Trust and any significant developments concerning the Trust; the duty to maintain records regarding Trust property and the administration of the Trust and, at reasonable

intervals, to provide beneficiaries with reports or accountings; and, the duty to identify and refrain from commingling trust property with any other property not subject to the Trust.

57. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to administer the Trust as a prudent person would by exercising reasonable care, skill, and caution in all matters affecting the Trust.

58. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to administer the Trust solely in the interests of Trust beneficiaries by refraining from self-dealing or related-party transactions, avoiding conflicts of interest, and disclosing all material facts to Trust beneficiaries.

59. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to determine whether certain administrative responsibilities with respect to the Trust should be delegated to others and then to supervise or monitor the selected agents as a prudent person of comparable skill would do.

60. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to use reasonable care to prevent another co-trustee from committing a breach of trust and, if a breach of trust occurred, to obtain appropriate redress against the co-trustee or a former trustee known to have committed a breach of trust.

61. The Alternative Counterclaim Defendants owe, and have owed since they allegedly became trustees, a duty to Trust beneficiaries to invest and manage funds in the Trust as a prudent investor would, in light of the purposes, terms, distribution requirements and other circumstances of the Trust, and in the context of an overall investment strategy that incorporates risk and return objectives reasonably suited to the Trust.

62. Pak breached his fiduciary duties as a purported co-trustee of the alleged Trust by, among other actions: mismanaging the Trust's assets, including through the expenditure of Trust funds to pay his personal legal fees and to benefit companies and organizations in which he, his close associates or his children had a personal financial interest or which they controlled; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintaining records of the Trust, and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and, generally failing to act as if the Trust existed.

63. Joo breached his fiduciary duties as a purported co-trustee of the alleged Trust by, among other actions: mismanaging and wasting the Trust's assets on ventures such as The Nostalgia Network, St. George, Ltd., and Atlantic Video; interfering with donations to UCI that historically have funded its and its subsidiaries' operations; causing the unlawful transfer of \$21 million from WTA to the Mission Foundation; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintaining records of the Trust, and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and, generally failing to act as if the Trust existed.

64. Kim breached his fiduciary duties as a purported co-trustee of the alleged Trust by, among other actions: interfering with donations to UCI that historically have funded its and its subsidiaries' operations; participating in the unlawful transfer of \$21 million from WTA to

the Mission Foundation; failing to follow basic formalities of trust administration, such as filing tax returns on behalf of the Trust, identifying trust property, maintaining records of the Trust, and providing reports to Trust beneficiaries; failing to use reasonable care to prevent other alleged co-trustees from committing a breach of trust; commingling the assets of the Trust with the assets of UCI, as evidenced by UCI reporting the Trust's assets on its own tax return; and, generally failing to act as if the Trust existed.

65. UCI's Board of Directors, including Preston Moon, became aware of the alleged oral charitable Trust for the first time when Plaintiffs pled its formation and existence in their complaint.

66. UCI has been damaged in an amount to be determined as a direct and proximate result of the Alternative Counterclaim Defendants' breaches of their fiduciary duties as co-trustees of the Trust, including by the long-term mismanagement and waste of the Trust's assets.

VI. PRAYER FOR RELIEF

WHEREFORE Counterclaim Plaintiff UCI prays that this Court enter judgment against all of the Counterclaim Defendants and all of the Alternative Counterclaim Defendants and in favor of UCI by:

1. Awarding Counterclaim Plaintiff UCI all damages incurred as a result of the Counterclaim Defendants' intentional interference with UCI's business relations, their aiding and abetting of such intentional interference, and their civil conspiracy to do the same, in an amount to be determined at trial, but not less than \$100,000,000, including punitive damages, costs and expenses, and reasonable attorneys' fees;

2. Awarding Counterclaim Plaintiff UCI all damages incurred as a result of Counterclaim Defendants Justin Moon and the Tongil Foundation's conversion of UCI's property, including punitive damages, costs and expenses, and reasonable attorneys' fees;

3. Ordering an accounting of Justin Moon's and the Tongil Foundation's distribution and use of UCI's converted property; the return of the converted property to UCI, and any other equitable relief deemed appropriate by the Court.

4. Enjoining each Counterclaim Defendant from future intentional interference with UCI's business relations or aiding and abetting or conspiring to do the same, and any other equitable relief that the Court deems appropriate;

5. If the Trust is found to exist, awarding Counterclaim Plaintiff UCI all damages incurred as a result of the Alternative Counterclaim Defendants' breach of their fiduciary duties as co-trustees of the alleged Trust, including punitive damages, costs and expenses, and reasonable attorneys' fees;

6. If the Trust is found to exist, removing Pak, Joo, and Kim as co-trustees of the alleged Trust and any other equitable relief deemed appropriate by the Court; and,

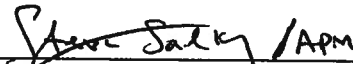
7. Granting any and all such other relief that the Court deems appropriate.

VII. JURY DEMAND

Counterclaim Plaintiff UCI hereby demands a trial by jury on all counts so triable.

Dated: August 24, 2012

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that on August 24, 2012, I caused a copy of the foregoing UCI's ANSWER, AFFIRMATIVE DEFENSES, AND COUNTERCLAIMS to be served by first-class mail and electronic mail on:

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